

City of Bloomington American Rescue Plan Act (ARPA) Socioeconomic Needs Grant Program Manual



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Chapter One: ARPA Program Overview

1.1 Introduction

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The \$1.9 trillion Fiscal Recovery Funds package is intended to support the response and recovery from the COVID-19 pandemic, including public health and economic impacts. The City of Bloomington received \$13.4 million of these COVID-19 relief funds. In July of 2022, these funds were allocated by City Council into three purposes: Infrastructure, Economic Development, and Socioeconomic Development. The funding amounts were \$9 million, \$2.2 million, and \$2.2 million respectively. Of the \$2.2 million allocated to Socioeconomic Development, \$1.1 million were designated for the Non-Profit Grants Program and \$1.1 million for the Affordable Housing Rehabilitation Grant Program.

1.2 Purpose

The Housing Rehabilitation and Non-Profit Grant Programs were created to support individuals and organizations impacted by the COVID-19 pandemic, as defined by the U.S. Department of the Treasury. The Housing Rehabilitation Grant Program will provide grants of up to \$45,000 to support the COVID-19 public health and economic response by addressing the negative economic impacts to households. The Non-Profit Grant Program will provide grants of two (2) up to \$250,000.00 and three (3) up to \$150,000.00 to support the COVID-19 public health and economic response by addressing the negative economic impacts to non-profits.

1.3 Funding and Regulations

This grant program is funded by the U.S. Department of Treasury via the American Rescue Plan Act of 2021 (ARPA) funds allocated to Economic Development by the City of Bloomington's City Council on December 5, 2022 (2022-119). The American Rescue Plan Act of 2021 (Public Law 117- 2) (ARPA) authorized this funding for grants to assist in the response and recovery from the COVID-19 pandemic. This grant program was designed following guidance issued by the U.S. Department of Treasury in its Coronavirus State & Local Fiscal Recovery Funds Final Rule.

Funding is subject to [2 CFR Part 200](#), which governs federal funding awards.

1.4 Client Information Policies

Staff should follow the identity protection and technology policies located within the most recent City of Bloomington Employee Handbook. The following is a summary of related protections of client data and information.

- All client physical files should be kept in a locked storage device unless the file is being used by an authorized City staff member reviewing the information.
- Clients, program partners, subrecipients, and program applicants are strongly encouraged to not send personal information over email to City staff. They should upload sensitive

documents to secure online software of the City's choice, mail the documentation to the office, or drop the information off to City staff. If a client does email personal information to staff, the email system is monitored by the City's Information Technology staff for security breaches and the email accounts are password protected. Any client information system used by the City shall be password protected and accounts made available to staff members with proper clearance.

- No loan or application information may be provided to a third party without a valid and signed Third Party Authorization (TPA) form on file. All TPA forms must have a wet signature from the loan holder or applicant.

1.5 Non-Discrimination

The City as a recipient of ARPA funds shall ensure that subrecipients comply with Title VI of the Civil Rights Act of 1964 (prohibiting race, color, and national origin discrimination including language access for limited English proficient persons), Section 504 of the Rehabilitation Act of 1973 (prohibiting disability discrimination), Title IX of the Education Amendments of 1972 (prohibiting sex discrimination in education and training programs), the Age Discrimination Act of 1975 (prohibiting age discrimination in the provision of services), and a variety of program-specific statutes with nondiscrimination requirements. The City of Bloomington will follow all other applicable Federal and State fair housing and anti-discrimination laws.

Housing Discrimination Complaint Processing

If a housing discrimination complaint arises, a full report and the completed HUD Housing Discrimination Complaint form should be sent to the City of Bloomington's Human Relations Commission. The City will then forward the complaint to HUD and corrective action will be decided upon. The City of Bloomington may also refer housing discrimination complaints not related to City services to subrecipients or program partners involved in fair housing activities.

Chapter Two: Affordable Housing Rehabilitation Grant Program

2.1 Program Eligibility

Applicants for ARPA Affordable Housing Rehabilitation Grant Program funds from the City for residential housing rehabilitation activities must meet the following eligibility requirements. Failure to meet these eligibility requirements will result in a failure to qualify for the program.

1. The property listed for rehabilitation assistance must be within the corporate limits of the City of Bloomington. Eligible participants in this program must also live within the following Qualified Census Tracts
 - Census Tract 13.02
 - Census Tract 13.03
 - Census Tract 15
 - Census Tract 16
 - Census Tract 58
 - Census Tract 59
2. The household must have an annual household income $\leq 65\%$ Area Median Income (AMI) per the Internal Revenue Service (IRS) Form 1040 Adjusted Gross Income (AGI) or the 24 CFR Part 5 Annual Income definition.
 - The City will use the IRS Form 1040 definition of income for all clients that have filed a federal tax return in the past year. Applicants that have not filed will be evaluated using the 24 CFR Part 5 Annual Income definition. The City will not change the income definition used to impact the applicant's eligibility. For example, an applicant that does not qualify under the Internal Revenue Service (IRS) Form 1040 Adjusted Gross Income (AGI) definition will not be evaluated under the 24 CFR Part 5 Annual Income definition if they meet the income requirements under that definition. The income definition selected is solely based on the applicant's tax filing status.
3. The applicant(s) must be the owner of record on the deed recorded with the McLean County Clerk's Office. The City does not authorize residential rehabilitation work under this program for clients with a contract for deed.
4. The applicant(s) must have and maintain valid homeowner's insurance on the property.
5. Applicant(s) must be current on all property taxes or past-due balances for City services.
6. The property listed on the application cannot currently be in an active foreclosure process.

7. The property listed on the application for rehabilitation assistance must be the principal residence for the applicant(s).
8. The property cannot be part of an active bankruptcy.
 - An active bankruptcy is defined as a bankruptcy not discharged for this program.
9. Applicants must provide all requested clarification documentation within the timeframe provided by City staff.
10. Applicants must provide all required or reasonably requested documentation needed to process application.
11. The property listed for rehabilitation assistance cannot be a mobile home.
 - There can be an exception if the property is determined to be a part of the permanent housing stock of the City. Permanent housing stock is defined as having a parcel identification number with the McLean County Clerk's office for the property listed for rehabilitation assistance and having a structural attachment to the ground (i.e., a foundation).
12. Condominiums are eligible for rehabilitation work assuming the following conditions are met.
 - The property owner must receive written approval from the condominium association that states ARPA funded rehabilitation work can be done to the property.
 - ARPA funded housing rehabilitation work cannot occur on common areas.
13. The property listed for rehabilitation assistance cannot be used as an investment property.
14. The property listed for rehabilitation assistance cannot in a trust or under a contract-for-deed.
15. The property listed for rehabilitation assistance cannot be primarily used for business. This is defined as more than 50% of the floorspace used for business purposes.
16. Duplexes, and similar structures as determined by the Rehabilitation Specialist, must have a single parcel identification number.
 - ARPA funded housing rehabilitation work cannot occur on common areas.

2.2 Funding Mechanism

The ARPA Affordable Housing Rehabilitation Grant Program will provide assistance through grants. Eligible households will sign a grant agreement with the City indicating the terms and conditions of assistance. Failure to comply with these terms will result in termination from the program. Funds will be paid directly to the contractor(s) completing the rehabilitation work on the property.

2.3 Project Cost Limit and Eligible Expenses

Each project is eligible to receive up to \$45,000 in housing rehabilitation assistance—including hard and soft costs. Households can only qualify for one project with this program. Hard and soft costs are defined below.

- Soft Costs
 - Title Searches
 - Credit Searches
 - Recording Fees
 - Environmental Testing (i.e., lead-based paint risk assessment, termite inspection, pest inspection, etc.)
 - Scope of Work Development for Properties with Lead-Based Paint Hazards
 - Permits
- Hard Costs
 - Health and Safety Issues
 - Costs Related to the Alleviation of City Code Violations
 - Significant Energy Efficiency Improvements
 - Issues related to health, safety, and City code violations must be addressed before energy efficiency improvements.
 - Accessibility Improvements
 - Accessible Showers and Toilets
 - Ramps
 - Wheelchair Lifts/Stair Lifts

2.4 Application Options

Online Applications

Residents can apply for housing rehabilitation assistance through an application software used by the Community Enhancement Division. This is the preferred option for applications.

Paper Applications

Paper applications will be made available. Paper applications will be formatted to match the online application.

Mandatory Application Sections

- Eligibility Questions and Information
- General Contact and Inquiry Information
- Household Information
- Household Assets
- Household Income
- Rehabilitation Request Details
- Required Documentation Checklist
- Applicant Signature Pages
- Information Release Authorization Signature Page

2.5 Application Intake and Eligibility Review

Applications will be reviewed on a first come, first serve basis. Applications that arrive at the same time will be serviced in alphabetical order. City staff are prohibited from seeking information or contacting third parties until the applicant(s) have completed, signed, and dated the Information Release Authorization Signature Page. The City reserves the right to seek additional documentation to clarify or gather information prudent to the eligibility review. The City reserves the right to have community members complete a pre-application form with information that will help staff guide the prospective applicant to the housing rehabilitation program best suited for their needs.

Required Documentation for Eligibility Review

- Application and Signature Pages
- Property Characteristics
- Property Deed
- Lien Search
- Property Taxes Paid Verification
- Homeowner's Insurance
- Credit Report
- Bank Statements
- Income Verification Documentation
- Income Eligibility Calculator
- Correspondence
- Pre-Approval or Denial Letter

Potentially Required Documentation for Eligibility Review

- Mortgage Statement
- Mortgage
- Federal Tax Returns
- Clarification Documentation

Required Documentation Processing-Application and Signature Pages

Review each section of the application to ensure it was completed correctly. Documents that require a signature and date should all be signed and dated appropriately. Special attention should be paid to the Information Release Authorization signature page. No signature may be typed. Signatures can be wet or electronic.

Required Documentation Processing-Property Characteristics

The application reviewer should review the property characteristics page to ensure the property is within the corporate limits of the City. Additionally, the owner's name should match the applicant's name. If it does not, that will be an issue that requires additional review using recording documentation. The property characteristics page should also indicate that the property is a single-family unit. Within this review the application reviewer can also establish if the property was constructed before 1978 (to ensure compliance with the Lead Safe Housing Rule) and the current zoning code.

Required Documentation Processing-Property Deed

The property deed should be in the applicant's name. If the property deed does not show that the applicant is the owner, they are ineligible for the ARPA funded housing rehabilitation program. While the property deed can often be found using the Parcel Identification Number (PIN), some deeds will require a search by name. Additionally, the application reviewer should review the deed to ensure that no other name appears on the deed besides the applicant(s). If there is a name that appears on the property deed, but not on the application, this will require additional clarification. For a spouse that has passed away, but is still on the property deed, a copy of the death certificate should be made a part of the file.

Required Documentation Processing-Lien Search

The lien search is completed using the recording history page on the parcel from the McLean County Recorder's Office. No active lis pendens should be on the property. If there is an active lis pendens, it requires clarification on from the applicant regarding their loan status. Properties currently in foreclosure are not eligible.

Required Documentation Processing-Property Taxes

Using information from the McLean County Clerk's office, the application reviewer should verify property taxes are current. If the property taxes are not current, the applicant would be ineligible until the taxes are current.

Required Documentation Processing-Homeowner's Insurance

The applicant should provide a documentation showing that there is a valid homeowner's insurance policy on the property. Failure to have homeowner's insurance, or provide current proof of insurance, makes the applicant ineligible. The City does not evaluate the insurance policy beyond the minimum requirement to cover the property in the event of a loss.

Required Documentation Processing-Credit Report

The application reviewer should run a credit check on all applicant's aged eighteen (18) or older if the individual is an owner of the property. This documentation is requested to ensure that no public records exist. If a public record exists, it will require additional clarification from the applicant. If there is a federal or state tax issue or lien, the applicant(s) may still be eligible for the program if they are in good standing with a payment plan from the Internal Revenue Service (IRS) or Illinois Department of Revenue (IDOR). Bankruptcies can also appear as a public record. Documentation showing payment compliance is required. The City does not evaluate the application based on an applicant's credit score.

Required Documentation Processing-Bank Statements

The most recent three (3) months of bank statements are required for all accounts in the household. If an account has not been open for three (3) months, that is sufficient assuming documentation verifies this to be true. If an account has been closed, documentation should be provided showing the account has been closed. Each statement should be reviewed for deposits

that cannot be explained through declared income sources, interest from an account, or refunds from commerce. Deposits, of any value, that cannot be explained by declared income, account interest, or refunds from commerce should be listed on the Deposit Clarification Form. This form should be completed by the applicant(s) and notarized. If undeclared income is discovered, the deposits identified as undeclared income should be added to receive an aggregate income amount period covered by the statements. This aggregate amount should be divided by the number of months covered by the statements with that number multiplies times 12 to achieve an annual income estimation. The application review should also ensure no non-household names appear on the statement. If a non-household name does appear on a bank statement, additional documentation will be needed to clarify why the individual appears on the account. This clarification should confirm they are not a household member.

Required Documentation Processing- Income Verification Documentation

Paystubs for all employed household members should be provided. If a household member has not been employed for enough time to meet these requirements, they employer should complete the Employment Verification Form. Employment income documentation should meet the following requirements.

Weekly Pay Frequency: 8 Paystubs

Bi-weekly and Bi-monthly Frequency: 4 Paystubs

Monthly Pay Frequency: 2 Paystubs

Non-employment income should be documented by any means showing their annual or monthly income. For Social Security income, the applicant should provide the most recent annual award letter from the Social Security Administration. Award letters stating the current income for a household member are preferred for non-employment income verification.

Required Documentation Processing-Income Eligibility

The household must have an annual household income $\leq 65\%$ Area Median Income (AMI) per the Internal Revenue Service (IRS) Form 1040 Adjusted Gross Income (AGI) or the 24 CFR Part 5 Annual Income definition.

- The City will use the IRS Form 1040 definition of income for all clients that have filed a federal tax return in the past year. Applicants that have not filed will be evaluated using the 24 CFR Part 5 Annual Income definition. The City will not change the income definition used to impact the applicant's eligibility. For example, an applicant that does not qualify under the Internal Revenue Service (IRS) Form 1040 Adjusted Gross Income (AGI) definition will not be evaluated under the 24 CFR Part 5 Annual Income definition if they meet the income requirements under that definition. The income definition selected is solely based on the applicant's tax filing status.

Required Documentation Processing-Correspondence

Any written correspondence with the applicant or their authorized representatives should be made a part of the case file. All non-written communication should be extensively documented through the Case Notes Form. Any staff member with non-written communication with the applicant or their authorized representatives should be documented with this form.

Required Documentation Processing-Pre-Approval Letter or Denial Letter

The pre-approval letter should document that the application has been pre-approved. All applications are considered pre-approved until the mortgage or grant documentation is signed by the applicant. The pre-approval letter should state the applicant will be placed on our waiting list. Additionally, the pre-approval letter should indicate how long the pre-approval is valid. If an applicant does not meet the eligibility criteria, the denial letter should state the application was denied and the eligibility factor(s) that were not met.

Potentially Required Documentation Processing-Mortgage

All active mortgages on the property should be reviewed and made a part of the case file. Attention should be paid to persons named on mortgage documents for anyone not named as a household member.

Potentially Required Documentation Processing-Mortgage Statement

The applicant must provide the most recent mortgage statement. The mortgage statement should be reviewed to ensure that the applicant is not behind on mortgage payments. Applicants that are not in good standing are not eligible for the program.

Potentially Required Documentation Processing-Federal Tax Returns

Applicants are required to provide the most recent federal tax return transcript. Transcripts can be ordered by the applicant through the IRS. Client provided 1040 form are not eligible starting with Program Year 2023. The state tax return is not required unless that return would provide needed information or clarification. Staff has the authority to ask for the state tax return at their discretion. If an applicant has not filed taxes in the most recent year, they will need to provide a notarized letter or statement stating that is the case.

Potentially Required Documentation Processing-Clarification Documentation

Any documentation that provides clarification to issues that arise during application review should be made a part of the case file.

Application Eligibility Review Process

Staff shall review the submitted application material to determine application completeness, potential eligibility issues, and determine based on the material provided if the applicant is eligible. If an application is submitted without all required documentation or issues arise that require clarification or additional documentation to determine eligibility, application review staff should mail or email the applicant listing the documentation and clarification required to

complete the eligibility review. Applicant must be given at least fourteen (14) calendar days to provide the required documentation. The application reviewer could provide additional time if the documentation needed will require additional time. Written communication requesting documentation and clarification should state the date the material is due and where the documentation can be returned. Applicants can request additional time to return documentation and clarification assuming it is before the original due date provided by staff. If the applicant does not provide the documentation or clarification by the due date, staff should provide the applicant thirty (30) days from the due date to respond to the request or the application will be denied. This thirty (30) day written notice can be emailed or mailed. Applicants cannot request an extension to the thirty (30) day notice.

Application Tracking

City staff will maintain an electronic application tracker to ensure applications are processed and serviced in the appropriate order.

2.6 Contractor Solicitation and Participation Requirements

The City's Community Enhancement Division requires all contractors wanting to participate in rehabilitation programs to have an application and supporting documentation on file. Registration as a contractor with the City without the additional registration and approval of the Community Enhancement Division is not sufficient to work on Community Enhancement Division projects. The Community Enhancement Division will keep an updated list of approved contractors for rehabilitation work funded by the division. The Community Enhancement Division is not responsible for incomplete and/or un-updated applications.

Community Enhancement Division Contractor Insurance Requirements

- Worker's compensation insurance of not less than the statutory amount, and employer's liability of not less than \$100,000 per person.
- Automobile insurance minimum combined single limit of not less than \$500,000 for injuries, including accidental death, or damages caused by the contractor's vehicles on the job site.
- Not less than \$500,000 for accidents or injuries, including accidental death, for each occurrence, and not less than \$1,000,000 in the aggregate for the policy term for comprehensive public liability.

Debarment and Suspension

No contract award may be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the Office of Management and Budget (OMB) guidelines on debarment and suspension at [2 CFR part 180](#).

- [OMB Guidelines to Agencies on Governmentwide Debarment and Suspension \(Nonprocurement\)](#)

- [SAM website](#)

The Rehabilitation Specialist must conduct a search for debarment and suspension on the SAM website before awarding a contract for rehabilitation work funded by the ARPA funded program. Written record of the awarded parties showing no debarment or suspension must be kept in the physical and electronic case file. The debarment review procedure is listed below.

- Go to the SAM website.
- Select “Exclusions.”
- Select “Advanced Search.”
- Select “Filter By” on the left side of the screen.
- Select “Excluded Individual” to input the contractor’s name and SSN/TIN
- If the contractor does not show up in this search, they have not been debarred.

2.7 Procurement Methods

The City shall conduct all procurement transactions in a manner which provides for full and open competition and complies with the federal procurement regulations comply to State and local laws and regulations and in accordance with regulatory guidance.

These standards described herein do not relieve the City of any contractual responsibilities under its contracts. The City is responsible, in accordance with good administrative practice and sound operational judgment, for the settlement of all contractual and administrative issues arising out of procurement entered in support of a grant. These include, but are not limited to, source evaluation, protests, disputes, and claims.

Procurement standards can be found at [2 CFR Part 200 Subpart D](#). For housing rehabilitation, demolition, or public infrastructure projects the procurement method used by the City is sealed bids.

Conflict of Interest

An organizational conflict of interest means that, because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. Conflicts of interest in the award and/or administration of contracts must be avoided. Conflicts of interest in the award and/or administration of contracts must be avoided. No employee of the subrecipient shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, any member of his (her) immediate family, his or her partner has a financial or other interest in the firm selected for award.

2.8 Rehabilitation Process

Initial Inspection

Once staff handling the intake and eligibility review have pre-approved an applicant, the City Rehabilitation Specialist will conduct an initial inspection of the property to determine if there are code violations and what work needs to be done to the structure. The Rehabilitation Specialist will prepare an inspection report that identifies each deficiency with respect to the city code and other health, life, and safety deficiencies which may be corrected through rehabilitation program funds. An inspection report prepared with date stamped photos in this manner will later serve the staff as the basis for preparing a work write-up and cost estimate. The Rehabilitation Specialist will interview the homeowner and discuss the following: Renovate Right pamphlet, Protect Your Family pamphlet, program requirements, owner's desire for rehab, project specification development process, occupant protection, voluntary temporary relocation.

Environmental Review

The National Environmental Policy Act (NEPA) does not apply to Treasury's administration of the SLFRF program, although projects supported with SLFRF funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

Lead Risk Assessment and Lead Based Paint Scope of Work

For units built before 1978, a lead-based paint inspection and lead hazard risk assessment (LRA) shall be performed to identify paint that contains lead above allowable levels. The risk assessment identifies housing conditions called lead-based paint hazards that could result in harm to residents, workers, and especially to young children. The LRA report can help owners develop a plan for eliminating any lead-based paint hazards that were found and aid in establishing ongoing lead-based paint maintenance and re-evaluation program, if needed.

Lead-based paint scope of work provides the homeowner and contractors a developed plan for eliminating any lead-based paint hazards that were found. A lead-based paint scope of work provides City staff and the homeowner(s) description of interim/abatement control costs to determine overall project costs.

Work Write-Up and Cost Estimate

The City's Rehabilitation Specialist will prepare a work write-up and cost estimate using project cost estimation software based on the property inspection report that includes the following.

- Itemizes all the rehabilitation work to be done on the property.
- Includes an estimate of the cost of each item.
 - The cost estimate shall be reasonable and shall reflect actual prevailing costs for comparable work.

Each item of work and its estimated cost shall be identified in the work write-up as being either necessary to meet city code or for other purposes that may be financed with housing rehabilitation funds. This may be done on the work write-up by entering the cost estimates in a columnar arrangement.

If the total estimated cost to do all the proposed work exceeds the estimated maximum amount of the rehabilitation loan or grant, staff will eliminate or modify items in the work write-up as necessary to reduce estimated costs; however, items of work necessary to meet city code shall not be eliminated if possible. Items may be listed and included on a priority basis.

A "preliminary" work write-up should not contain details that have no significant effect on cost, such as color, style, or pattern. Decision on these details can be made when preparing the specifications for the construction contract documents, or even after the contract award by providing in the contract documents, as appropriate, the term "to be selected by owner."

As soon as possible after inspection of the property and the lead hazard scope of work is returned, staff will consult with the prospective applicant on the preliminary work write-up and cost estimate. Staff will advise the applicant which items of work are required to meet city code; and which are not required but may be financed with housing rehabilitation funds. Staff will be prepared to eliminate or modify any items in the preliminary work write-up that are not specifically required by city code. However, staff will prepare a final work write-up and cost estimate. The final work write-up shall be the basis for the specifications in the construction contract documents to be used to solicit bids and proposals from contractors.

Final work write-ups and cost estimates prepared by staff will identify each of the items of work to be financed by the housing rehabilitation funding and show the total estimated among for those items. If the final work write-up is to be used for the specifications, the two items above shall be shown on a separate sheet that will not be part of the construction contract documents and shall be labeled as "cost estimate".

Each specification in a construction contract document shall be written so that it provides a clear understanding of the nature and scope of the work to be done, and a basis for carefully determined bids and proposals from contractors. Each specification shall show the nature and location of the work and the quantity and type of materials required. The specifications shall refer to manufacturer's brand names or to association standards to identify the quality of materials required to make provision for acceptable substitutes. If the work write-up is sufficiently comprehensive, it may itself be used for the specifications, without any cost estimate figures or distinctions as to work required or not required. Specifications shall require all work to meet the appropriate city codes.

Specifications, based on the work write-up and illustrative sketches, if any, covering the specific rehabilitation work for each property on which a rehabilitation loan shall be prepared by the Rehabilitation Specialist. Drawings shall be prepared only when essential to show the scope of the work involved so that a fair bid for the work can be obtained, and to avoid misunderstandings with the bidder. The specifications and drawings shall be based on the work write-up resulting from an inspection of the property and interviews, as indicated, with the applicant. The

specifications shall clearly establish the nature of the work to be done, and the material and/or equipment to be installed. Known acceptable brands shall be identified by reference to manufacturers or association specifications, and provision shall be made for acceptance of equal substitutions. Each page of the specifications and drawings shall be numbered and shall contain identification that includes the name and address of owner, and the date of the specification.

Construction Contract and Bids

Construction work for rehabilitation financed through an ARPA housing rehabilitation project shall be undertaken only through a written contract between the contractor and the recipient of the grant. The Community Enhancement Division shall assist each applicant in arranging for and obtaining an acceptable construction contract.

The construction contract will consist of a document signed by the contractor and accepted, and signed, by the borrower or client, only following the approval of the rehabilitation loan or grant. It shall contain a bid and proposal by the contractor and the general conditions, as well as the specifications for the work to be performed.

The contract document prepared by Community Enhancement Division staff may provide for alternatives by which the bidder, as part of his bid and proposal, offers increases and decreases to the lump sum contract price to cover alternatives in the performance of the work. An alternate may be used to cover an item of work, the need for which cannot be determined until sometime during the rehabilitation work. If an alternate is selected to be used either prior to the finalization of the contract or during construction, an Addendum (or change order) will be completed to accommodate the change of the contract. Addendum may be used to formally accept a previously submitted alternate or may be the result of unforeseen work which is needed in order to complete the project (such as opening a wall and finding termite damage which needs to be repaired prior to re-closing the wall). In either case, the contractor must determine a fair cost proposal associated with the needed repairs. The proposal must be submitted to Community Enhancement Division staff, who will prepare the Addendum. The Addendum will be approved and signed by the contractor, the borrower, and the Rehabilitation Specialist prior to the additional work being done. Addendum may be used for additions or deletions to the contract as needed. Work completed by a contractor and not previously covered by the original construction contract, or an Addendum will not be funded or paid for by project funding. A contractor will not be compensated for work completed without an Addendum approved by the contractor, borrower, and Community Enhancement Division staff.

An acceptable contractor's bid and proposal must be obtained, in the contract document form prepared by the Community Enhancement Division staff. In the case of emergency repairs, a contractor's bid proposal on the company's form may be accepted. Two proposals by email are acceptable as well.

In general, no contractor will be awarded more than two current jobs at any one time unless there is a shortage determined at the Rehabilitation Specialist's discretion. Any bids received which are fifteen percent (15%) above or below the rehabilitation specialist's cost estimate may be rejected.

The Rehabilitation Specialist will prepare provisions of general conditions for general use in the processing of all construction contracts for the rehabilitation of the property. There follows a listing of provisions that the Community Enhancement Division staff must include in the general conditions. However, all the provisions may not be included in the contract agreement. In general, a minimum of two bids are required for each project.

Invitation to Bid

Invitations to bid may be accomplished through electronic means. An Invitation to Bid letter will be mailed and/or electronically sent to all eligible Community Enhancement Division contractors who may wish to bid on a particular project. The Invitation to Bid will include the following items.

- The type of work included in the project.
- A date by which interested contractors must pick up a copy of the bid specifications.
- A date and time scheduled for an open walk through at which the contractor *must* view the premises in order to prepare his cost estimate. If a contractor cannot attend an open house, the contractor may request making other arrangements, prior to the open house, to view the premises. Neither Community Enhancement staff nor the homeowner are required to accommodate a contractor who cannot attend the open house.
- Date and time by which a bid and proposal by the contractor is to be received. Bids must be submitted to the City Clerk's office, in sealed envelope by the date and time specified. Any bids received after the date and time specified will be returned, unopened and the contractor will not be eligible to bid for the specified project.

Bid Selection

The City reserves the right to accept or reject any bids assuming all relevant City, state, and federal regulations are followed. Bids will not be accepted from contractors who have not attended the open walk through or made previous acceptable arrangements with the Rehabilitation Specialist and the homeowner to view the property.

In most instances, the bid is awarded to the qualified low bidder. If a bid other than the low bid is selected by the owner, the file shall contain all bids that were received and statement of the reasons for selecting other than the low bid. Reasons for not accepting the low bid may include, but is not limited to, the following.

- The contractor provided an incomplete bid.
- The contractor's bid was either 15% below or 15% above the Rehabilitation Specialist's cost estimate for the rehabilitation job.
- If the Community Enhancement Division has notified the contractor of two complaints on any rehabilitation projects and the complaints have not been resolved to the satisfaction of the Community Enhancement Division staff.

Loan and Grant Agreement Creation and Set-Up

The Rehabilitation Specialist will draft the mortgage and promissory note using the information from the successful bid documents. The loan amount shall only include hard costs. The Rehabilitation Specialist will ensure all documents have been properly completed, signed, and dated by the borrower. The Rehabilitation Specialist will also prepare a grant agreement for project costs not financed with a loan.

Truth in Lending Requirements

The Truth in Lending Act of Title I of the Consumer Credit Protection Act ([Public Law 90-321; Title 15, U.S. Code 1601](#) et seq.), was enacted by Congress on May 29, 1968. The Act requires that borrowers in consumer credit transactions be vested with certain rights and protections in connection with the transaction and receive specified written information from their lenders. The disclosures must be made before credit is extended and before the borrower becomes obligated in connection with the transaction (i.e., before execution of a note or mortgage). Among the required disclosures are the following items.

- The amount of credit a borrower will have for his actual use (the amount financed).
- The finance charge consisting primarily of interest (but also other fees and charges) expressed both as a dollar amount and as an annual percentage rate.

Three-day recession provision. In addition, the Act enables a borrower, within three business days following the loan transaction, to rescind the transaction, if the loan is secured by a lien on the borrower's residence.

The Board of Governors of the Federal Reserve System has promulgated regulations implementing and interpreting the Act. These are entitled Regulation Z ([12 CFR 226](#)). HUD form 6240, Truth in Lending Disclosure Statement, is to be used at loan settlement in meeting the requirements of the Truth in Lending Act.

A completed Truth in Lending Disclosure Statement shall be given to all borrowers of rehabilitation loans on residential property containing one to four dwelling units, except those borrowers which are corporations, partnerships, or otherwise organized as an independent entity or business firm under local law.

The Truth in Lending Disclosure Statement shall be given the borrower at loan settlement but prior to the time he executes the mortgage and promissory note obligating his repayment of the loan. When the Truth in Lending Disclosure Statement is given to the borrower, he shall be requested to sign and date the completed Truth in Lending Disclosure Statement in the presence of an employee or other authorized representative of the City of Bloomington who shall also sign as witness. The signed and witnessed copy of the Truth in Lending Disclosure Statement shall be retained by the Community Enhancement Division in the loan application file.

The Rehabilitation Specialist will verify the following.

- The applicant was given a Truth in Lending Disclosure Statement, and the Community Enhancement Division staff has a receipted and witnessed duplicate thereof in its loan application file.
- The applicant was given two copies of the Notice of Opportunity to Rescind Transaction, and a signed duplicate copy has been retained by the Community Enhancement Division staff in its loan application file.

Borrowers are entitled to rescind the loan transaction shall receive a properly completed Notice of Opportunity to Rescind Transaction in the format which appears below.

- Furnishing notice to borrower at loan settlement. The Rehabilitation Specialist will give the borrower two copies of the notice at loan settlement and prior to his execution of mortgage and note. The notice's nature and purpose shall be explained. One additional, or third, copy of the notice shall be signed by the borrower so as to evidence his receipt of two copies of the notice. The receipted copy shall be retained in the case file.
- The Community Enhancement Division will reproduce the notice. The text shall consist of the same language, with blanks completed so as to show the loan settlement date, deadline for rescission three business days following loan settlement date) and the City of Bloomington's name and address (including zip code). The paragraph entitled; "Effect of Rescission" shall appear in not less than 12-point bold-faced type.
- Three-day rescission period. To compute the running of the 3-day rescission period for entry on the notice, treat the day of loan settlement on which the borrower receives the notice as Day Zero and the next business day thereafter as Day 1, etc. Three business days must elapse following loan settlement date to complete the rescission period. A business day is any calendar day except Sunday and the following holidays, and the dates established by Federal law: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving, Christmas, and Martin Luther King Jr.'s Birthday.
- Community Enhancement Division staff shall make no disbursement from the loan account, with respect to the borrower, during the three-day rescission period.
- In every case, the staff shall record promptly after loan settlement the mortgage, deed of trust, and all instrument necessary to perfect the loan security without waiting for expiration of the three-day rescission period.

The loan transaction shall be considered cancelled if the borrower's notice to that effect is given within the required period. Notification by mail shall be considered given at that time mailed as indicated by the postmark; notification by email shall be considered given at the time of transmission; and notification by any other writing shall be considered given at the time delivered to the City of Bloomington address.

It is expected in most cases that the borrower's rescission will be accomplished by his mailing or delivery of the notice, bearing his signature and date under the cancellation recital. However,

rescission may be accomplished by any written communication signed by the borrower. Oral communications cannot accomplish rescission, but they should be followed up by the Community Enhancement Division staff to obtain a written rescission.

Upon the Community Enhancement Division's receipt of any timely, written communication signed by the borrower, or of an email sent by the borrower, the Community Enhancement Division staff shall proceed in the cancellation of the loan by taking steps to cancel and close the file. Steps to close the file include sending letters to contractors notifying them of the rescission, canceling any ordered checks, insert Right to Rescind into the file, release any recorded mortgages. The following statement should be included in the file; "Borrower's signature on appropriate Notice of Rescission, as required under Truth in Lending Act" received.

Federal law requires that, within ten (10) days or receipt by the Community Enhancement Division of an appropriate written notice of rescission, the application fee (if any) be returned to the applicant and action to effect termination of any lien created by a mortgage or deed of trust shall be completed. The foregoing rescission procedures apply only to rescissions requested by the borrower, within the three-day rescission period.

Once the loan documents have been completed, signed, and dated, the Grants Coordinator will set the loan up in the Access database held by the City. Once the loan has been set-up in the Access data base, the Grants Coordinator or Grant Specialist will file the mortgage with the McLean County Recorder.

Construction Activation and Completion Dates

After the bid and proposal have been accepted by the borrower, the contract is subject to issuance of a proceed order by the client, and no work shall be commenced by the contractor until they have received a written proceed order.

A proceed order shall be issued promptly after the contract agreement for the rehabilitation project has been approved by all parties involved and after any loan settlement papers have been completed and approved. When the rehabilitation loan is secured by a mortgage, loan settlement is considered completed only after recordation of the mortgage and expiration of the rescission right. Normally, this will take place after three business days have passed since the date of the contract agreement by mailing or hand delivering the proceed order to the contractors involved. The Rehabilitation Specialist shall assist the borrower in the preparation and issuance of a proceed order. No proceed order will be issued until after the date has expired by which the owner can rescind the contract

- Exception to the above is the case of an emergency repair where the borrower may waive his/her "Right to Rescind", and thereby allow the necessary rehabilitation to begin as quickly as possible.

The contractor must commence work within a set number of working days after receipt of the proceed order. The Rehabilitation Specialist shall determine the number of working days dependent on the type and circumstances of the job. If the contractor does not commence work within the time specified, the contractor may be charged \$25.00 per day until work is started.

This amount will be deducted from the amount in the contract agreement. The issuance of a fine is determined at the Rehabilitation Specialist's discretion.

The contractor must satisfactorily complete the work within a set number of calendar days from the start of the work as specified in the proceed order. The Rehabilitation Specialist shall determine the number of calendar days dependent on the type and circumstances of the job. The contractor may be charged \$50.00 for each day that the work is not completed within the specified time. This amount will be deducted from the amount of the contract agreement. However, in instances where addendums have occurred, which may cause the original completion date to be extended, the addendum must address the new completion date. Thereby, making the new completion date approved by the homeowner, contractor, and the Rehabilitation Specialist.

The following variables should be considered by the Rehabilitation Specialist when determining the start and completion dates for a project.

- Weather and the time of year.
- Availability of materials which must be ordered from suppliers.
- Additional Addendum when there are changes needed in the rehabilitation contract.

All work performed by the contractor is covered by a one-year guarantee. Homeowners may require the contractor(s) to correct significant defects and inadequacies in the work performed under their contract.

Inspection of Work

The Rehabilitation Specialist shall make inspections of construction work in cases involving the ARPA residential housing rehabilitation program. Inspections include the following.

- Compliance inspections, as necessary, to assure that the construction work is being completed in accordance with the construction contract and the Department of the Treasury regulations.
- A final inspection to determine that the construction work has been completed in accordance with the construction contract and the Department of the Treasury regulations.

Building Safety Division inspectors will make inspections of all installations for which permits have been issued and will provide a "final" approval certificate upon completion of all work done under the permit.

Lead Clearance Testing Policy

The City of Bloomington will only pay for a passed lead clearance test. Failed clearance tests shall be paid by the general contractor.

Payment of Satisfactory Work

If the inspection determines that work completed is satisfactory, to both the Community Enhancement Division Rehabilitation Specialist and Building Safety Division inspectors and the client, the Community Enhancement Division shall draw from the appropriate account a check payable to the contractor. When the progress inspection determines that the work is satisfactorily completed in accordance with the contract, the Rehabilitation Specialist staff shall obtain from the contractor a release of liens provided by the Grants Coordinator or Grant Specialist. After receipt of a release of liens, including releases from all subcontractors and suppliers and a copy of each warranty, and with client approval, the Community Enhancement Division and City Finance Department staff shall make final payment(s).

If the work completed is not in accordance with the construction contract for a progress or final payment, the Rehabilitation Specialist shall advise the client of any noncompliance in the construction work, or of an incorrect invoice submitted by the contractor. The client shall be requested to obtain, with assistance from the Rehabilitation Specialist, appropriate corrective action from the contractor. No payment shall be made on a construction contract until the contractor has satisfactorily completed the necessary corrective action.

Final inspection shall be made by the Rehabilitation Specialist upon completion of the rehabilitation work and receipt of the contractor's invoice containing his certification of satisfactory completion of all the work in accordance with the contract and his warranty and/or his final pay out request form signed by the borrower. The contractor is responsible for scheduling a final inspection by Building Safety inspectors.

After the Rehabilitation Specialist staff determines that the rehabilitation work has been fully and satisfactorily completed and the final inspection report obtained, the Rehabilitation Specialist shall prepare the Certification of Final Inspection form. This certification of final inspection is required regardless of final inspections completed by the Building Safety Division on items covered under issued permits.

In some cases, defects and inadequacies in the construction work, not apparent at the time of final inspection, may show up after final payment for the work is made and the disposition of funds form is completed. When Community Enhancement Division staff receives notification from a homeowner that a defect exists, the Rehabilitation Specialist will verify the complaint and the contractor responsible for the work must be notified in writing and required to correct within a specified time.

Although a limited examination indicates that the incidence of serious defects and inadequacies in the construction work is not frequent, and contractors generally correct them promptly when requested, the Community Enhancement Division staff, after the final inspection, shall make an additional call on the property owner to ascertain if there are any complaints about the work that had been done. This call is typically done by the Rehabilitation Specialist. This call shall be made within 60 days after the issuance of disposition of funds form. The Community Enhancement Division shall inspect that work to ascertain if the complaint is valid. If the complaint is valid, the Public body shall assist the property owner in obtaining prompt corrective action from the contractor.

Dispute Resolution Process

If the borrower disputes inspection results, the quality of the work completed, or the professionalism of City staff or contractors, notification of the dispute shall be forwarded in writing by City staff or the borrower to the Community Enhancement Division Manager. The Community Enhancement Division Manager shall investigate the dispute and provide a formal written response indicating their findings to relevant parties and the borrower within fourteen (14) calendar days of receiving the complaint. The borrower has fourteen (14) calendar days to appeal the written response from the Community Enhancement Division Manager. The appeal must be in written form. Failure to respond within the appeal timeframe will result in an automatic dismissal of the complaint. The appeal will be forwarded to the Economic and Community Development Department Director for final arbitration. The Economic and Community Development Department Director shall have fourteen (14) calendar days to submit a final written response to the complaint.

If the contractor disputes the inspection results or the professionalism of City staff, notification of the dispute shall be forwarded in writing to the Community Enhancement Division Manager. The Community Enhancement Division Manager shall investigate the dispute and provide a formal written response indicating their findings to relevant parties and the borrower within 14 calendar days of receiving the complaint. The contractor has fourteen (14) calendar days to appeal the written response from the Community Enhancement Division Manager. The appeal must be in written form. Failure to respond within the appeal timeframe will result in an automatic dismissal of the complaint. The appeal will be forwarded to the Economic and Community Development Department Director for final arbitration. The Economic and Community Development Department Director shall have fourteen (14) calendar days to submit a final written response to the complaint.

Payout

Community Enhancement Division staff will make provisions that the contractor will be paid the final contract price, in one lump sum after the work is satisfactorily completed and approved by the Rehabilitation Specialist and the Building Safety Inspector(s) who issue the corresponding permit(s). A progress payment may be made as work progresses. However, a progress payment shall not exceed 65% of the value of the work satisfactorily completed unless otherwise authorized by the Community Enhancement Division Manager or Grants Coordinator. A progress payment and final payment due to the contractor will be paid after Community Enhancement Division staff receives a Request for Rehabilitation Payment form signed by the contractor and the client. The contractor must provide satisfactory release of liens or claims for liens by subcontractors, laborers, and material suppliers for completed work or installed materials upon receipt of each pay out. The final payout will not be presented to the contractor until a final inspection has been completed and approved by Community Enhancement and Building Safety Divisions. Each Building Safety Division inspector who has issued a permit must complete a final inspection of the associated work prior to release of the final pay out check.

Provisions Required from the Contractor for Construction

- Evidence the contractor meets the insurance requirements of the Community Enhancement Division.
- Documentation showing that all permits and licenses necessary for the completion and execution of the work and labor to be performed are executed.
- All work was performed in conformance with applicable local codes, ARPA regulations, and contractual requirements covered by the specifications and drawings for the work.
- The premises was kept clean and orderly during the work and all debris was removed at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the contractor unless other provisions have been provided for in the contract agreement or bid specifications. All unused materials and/or equipment supplied by the contractor shall belong to the contractor.
- No contract shall be assigned without the consent of the Rehabilitation Specialist and the owner.
- A guarantee the work performed for a period of one year from the date of final inspection and approval by the Community Enhancement Division of project completion. Furthermore, furnish to the owner, in care of the Community Enhancement Division with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.
- Community Enhancement Division staff or its designee are permitted to examine and inspect the rehabilitation work.
- No additional verbal or written agreements with the homeowner while completing rehabilitation work funded by the Community Enhancement Division shall be granted without prior approval from the Rehabilitation Specialist and the owner.
- Acknowledgement that the Community Enhancement Division is not responsible for payment to the contractor for any work not covered in the original contract agreement or any properly executed/approved addendums.

Provisions Required from the Property Owner for Construction

- The contractor shall be permitted to use, at no cost, existing utilities such as light, heat, power, and water necessary to the carrying out and completion of the work.
- Agreement to cooperate with the contractor to facilitate the performance of the work, including the removal and replacement of rugs, covering, furniture and/or any other interior or exterior fixtures, plantings, etc., as necessary, unless otherwise provided for in the contract.

Additional Provisions

The Community Enhancement Division may add other provisions to the general conditions to reflect local conditions and to assure that the contract clearly sets forth the requirements for the construction work to be done. However, care should be exercised in adding other requirements so that the general conditions will not be unduly burdensome and thereby reduce competitive interest in the work and increase rehabilitation costs.

Chapter Three: Non-Profit Grants Program

3.1 Introduction

The Non-Profit Grant Program was created to support individuals and organizations impacted by the COVID-19 pandemic, as defined by the U.S. Department of the Treasury. The Non-Profit Grant Program will provide grants of two (2) up to \$250,000.00 and three (3) up to \$150,000.00 to support the COVID-19 public health and economic response by addressing the negative economic impacts to non-profits.

3.2 Eligibility Requirements

Non-Profits must meet all the following criteria to qualify for funds.

- Must be registered as a 501c3 with the IRS
- Beneficiaries of the funding must reside in the corporate limits of the City of Bloomington
- Must serve households with an annual income at or below 300% of the Federal Poverty Level
- Non-Profit Grants must be utilized for needs identified in Consolidated Plan/community health survey (homeless services, senior services, food services, health services focusing on disparities, disability services, mental health services, workforce development and job training activities)

3.3 Application Process and Evaluation

Application Process and Components

Applications for non-profit grants will be made available online. (Link to seamless Doc) No paper applications will be accepted. Below is the minimum information that an application for this partner program must gather.

- Contact information for the applying organization.
 - This would include mailing address, primary contact person name, phone number, website, email address, mailing address, fiscal contact name, fiscal contact email, and fiscal contact phone number.
- FEIN for the applying organization.
- Type of organization and brief description of the organization
- Proposed project/program type
- Eligible activity the proposed project/program will meet
- Status to help ensure the proposed project/program does not replace local or state funding
- Proposed project/program start and end dates
- Proposed project/program service area
- Census tracts and block groups served by the proposed project/program
- How the proposed project/program meets the goals outline in the City's current CDBG Consolidated Plan and the current CHNA Plans
- Proposed project beneficiary income and age information
- How client race, age, and income data will be collected
- Goals for the proposed project/program
- Identification of other organizations involved in the proposed project/program
- Narrative of the organization's history with grant management
- Previous federal grant awards for the organization in the previous three years
- Description of staff training for the proposed project/program
- How long the organization can operate without reimbursement on the proposed project/program
- Other funding sources for the proposed project/program
- How the organization's accounting system meets the requirements outlined in [2 CFR Part 200.302](#)
- Proposed project/program budget

- Proposed project/program timeline
- SAM.gov verification
- Non-profit determination or certified local government certification
- Organizational chart
- Board of Directors list
- Current liability insurance certificate
- Chart of accounts
- Current audit
- Financial internal control procedure
- Governing body authorization to submit funding request
- Job descriptions for all positions assigned to the proposed project/program
- Conflict of interest policy for organization staff and Board of Directors
- Drug-Free workplace policy
- Grievance/Termination policy for agency staff and project/program participants
- Non-Discrimination policy
- Procurement policy
- Record retention policy
- Section 504 certification and checklist
- Programmatic risk assessment questionnaire

Application Evaluation

Completed applications submitted before the deadline has past, will be reviewed by City staff for eligibility based on allowable costs as outlined in the grant policy and procedures and the U.S. Department of Treasury in its Coronavirus State & Local Fiscal Recovery Funds Final Rule. Grants will be awarded to eligible applicants on a first come first serve basis until funds are exhausted as further defined and detailed in the program regulations.

3.4 Funding Decision

Once an evaluation of each application is complete, the Economic & Community Development Director formally approves the funding recommendations for the program year through written documentation.

Each organization that applied shall receive written notice, via email or U.S. mail, of the application decision and recommended funding amount (if applicable).

3.5 Subrecipient Grant Agreements and Program Provisions

Once organizations have been notified of their award, the City will send subrecipient grant funding agreements to funded organizations. All subrecipient grant agreements shall contain the following sections. The City reserves the right to expand upon the following policies and sections within individual subrecipient grant funding agreements. Subrecipient grant agreements are executed by the City Manager.

Appendices to the Agreement

Any appendix to the subrecipient grant funding agreement is incorporated into the agreement. Subrecipients must follow any terms and conditions listed in any appendix.

Scope of Work to be Performed

Subrecipients must agree to follow any scope of work listed in their subrecipient grant funding agreement. This scope of work shall be defined in the subrecipient grant funding agreement.

General Compliance with Applicable Laws

Subrecipients must comply with all applicable federal, state, and local laws, regulations, and policies governing the funds provided under a subrecipient grant agreement.

Length of the Agreement

Subrecipient grant funding agreements cover the program year they are funded.

Amount of the Appropriation

Each subrecipient grant funding agreement shall have the appropriation listed. Any appropriation given in a particular program year does not imply continued financial support beyond the length of time specified in the subrecipient grant funding agreement.

Ineligible Program Costs

Although certain recording requirements prescribed by Congress, the Department of the Treasury, or the City may require ineligible costs to be listed within the budget, ineligible costs will not be paid for using ARPA funds.

Suspension and Termination Language

The City has the right to suspend or terminate subrecipient grant funding agreements if a subrecipient fails to comply with any or all provisions within their valid subrecipient grant funding agreement. If the City or a subrecipient determines the award of funds under a subrecipient grant funding agreement for the subrecipient's proposed program cannot meet the goals outlined, either party can terminate the agreement in full or partially.

Termination of a subrecipient grant funding agreement is recognized upon the receipt of written notification by the party not initiating the termination. The written notification must include the reasons for termination, the effective date of the termination, and the portion to be terminated.

If the City determines the remaining portion of the grant award will not meet the outlined goals and objectives, the City can solely terminate the entire award.

Meeting Requirements

The City shall have a staff member from the Economic and Community Development Department meet with subrecipients to review required reports, cases, invoices, or any other information relevant to the subrecipient on a schedule outlined in a subrecipient grant funding agreement. This is typically accomplished during monitoring.

Record Retention and Requirements

Subrecipients shall provide the City, the Department of the Treasury, the Inspector General of the United States, or any other duly authorized representatives access to any books, documents, papers, and records that pertain to the ARPA funded project/program. This is to allow monitoring, making audits, examinations, excerpts, transcripts, and photocopying.

Subrecipients are required to maintain all required records for five years after the subrecipient's final audit and project/program close-out by the City. Subrecipients shall establish and maintain a project/program file that contains the following information.

- General project/program correspondence and related items
- Financial source documentation and associated transaction documentation
- Procurement procedures and associated documents
- Compliance with applicable local, state, and federal regulations
- Project/program reports
- Documentation of persons benefiting from grant activities, including race/ethnicity and age to substantiate achievement of the eligible ARPA funded activity
- Personnel actions
- Acquisition and disposition of property

Subrecipients shall, at minimum, maintain the following records for each grant received.

- Cash receipts register
- Cash disbursements register
 - All disbursements must be supported by appropriate documentation that demonstrates the nature and use of each payment and showing the approval of the subrecipient's authorized official. Payroll records shall include the time each subrecipient employee spends working on the grant. Timesheets must be signed by the employee and their supervisor or other authorizing official.
- Equipment records

- A record shall be maintained for each item of equipment acquired for the project/program. Equipment is defined as tangible personal property which has a useful life of more than one year and per-unit acquisition that equals or exceeds \$500.00. Records shall include a description (including model and serial number) of the equipment, date of acquisition, the acquisition cost (showing the percentage that was paid for by ARPA funds). This recording requirement does not indicate the City will pay for equipment. The City does not typically provide funds for equipment purchases, including information technology systems.
- Supply records
 - A record shall be maintained for supplies purchased for the project/program. Supplies include all tangible personal property other than equipment. Records shall be maintained for supplies which are acquired for the project/program for a cost equal or exceeding \$200.00. Supplies equal to or exceeding \$200.00 must have a record showing a comparison of supplies purchased.
- Indirect cost records
 - A record shall be kept of all indirect costs. Indirect costs are costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. The City typically does not provide funding for indirect costs.

Reporting Requirements

The City shall include in any subrecipient grant funding agreement information about reporting schedules. Reporting measures are defined by required the Department of the Treasury reporting information that the City must provide for ARPA activities and any other measure to measure the success of the funded project/program as determined by the City's Grants Specialist.

Subrecipients must provide the City documents related to procedures, policies, copies of all contracts and subcontracts for work financed in whole or in part with ARPA funding, and a regularly updated schedule of project/program activities. The City reserves the right to withhold any reimbursement or payments until such time as the City receives the subrecipient's financial progress and performance reports.

Improperly prepared reports will not be accepted. The City reserves the right to withhold any reimbursement pending receipt of accurate information and required source documentation. Upon receipt of improperly prepared or erroneous reports the City reserves the right to conduct a monitoring or audit of the subrecipient regarding the project/program that has received ARPA funding.

A pattern of late, improper, incomplete, or erroneous reports could be grounds for the termination of a subrecipient grant funding agreement at the City's sole discretion. The City

reserves the right to make appropriate adjustments for any funds previously paid out by the City but unexpended by the subrecipient. Reports shall consist of the following.

- Beneficiary demographic data including, but not limited to, the number of people served, the number of City of Bloomington residents served, beneficiary race/ethnicity information, and beneficiary income information.
- Program accomplishments and narratives.

Annual Audit Requirements

Subrecipients are required to prepare and submit to the City an audit of the financial records statement of the subrecipient pertaining to the receipt and use of ARPA funds. If a subrecipient receives federal funds from multiple sources other than the City's ARPA program, a combined single audit is permissible provided it clearly outlines the amount of the City's ARPA funds received, the amount expended and encumbered, and the purposes of the expenditures.

An annual financial statement may be accepted with prior approval by the City. The City shall have the right to review and modify the scope of said audit or financial statement. Subrecipients are responsible for clearly identifying and accounting for funds received and expended during separate program years.

Alternative Funding Reporting Requirements

Subrecipients shall notify the City if the subrecipient receives funding, full or partial, that is incremental to the program budget outlined in the subrecipient grant funding agreement from any or all sources for the performance of activities in the agreement. The City reserves the right to reduce the granted amount by the amount of such alternative funding.

Revision of Budget and Project/Program Plans

Any change (increase or decrease) of ten percent (10%) of the line-item budget or \$500.00, whichever is less, to any account under the subrecipient's line-item budget requires written permission from the City. The subrecipient shall request a budget change in writing and forward this request to the Grants Specialist. The written request must contain the following information.

- Reason and justification for the change
- Amounts to be changed
- Description of the line item(s) affected

Changes made without the City's prior approval may result in non-reimbursement of expenditures from those affected line items.

Any change to the scope of work defined in the subrecipient grant funding agreement requires written permission from the City prior to the execution of any changes by the subrecipient. The written request must contain the following information.

- Reason and justification for the change
- Timeline for the change

If the subrecipient requests both a budget and scope of work change, the written request from the subrecipient and the written response from the City can be one document.

Non-Discrimination

Subrecipients must agree that no person shall on the grounds of race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, age, source of income, physical disabilities, or mental disabilities be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination under any program or activity that receives financial assistance from the City's ARPA program.

Subrecipients must agree to including a statement of its non-discrimination policy in any printed or electronic information released to the public regarding program activities receiving financial assistance from the City.

Equal Opportunity Policy/Affirmative Action Plan/Current Policy Setting Body Information

A copy of the subrecipient's policy on equal opportunity employment and a copy of its most current Affirmative Action Plan. Such a plan shall incorporate language pursuant to 41 CFR Part60-1.4(b). The names, addresses, and professional affiliations of current members of the board of directors or policy-setting body of the subrecipient shall be provided to the City.

Workers' Compensation

Subrecipients are required to provide worker's compensation insurance coverage for all its employees involved in the performance of subrecipient grant funding agreements.

Indemnity

Subrecipients assume liability for and agrees to protect, hold harmless, and indemnify the City and its assigns, officers, directors, employees, agents, and servants from an against all liabilities, obligations, losses, damages, penalties, judgements, settlements, claims, actions, suits, proceedings, costs, expenses, and disbursements. This includes legal fees and expenses, of whatever kind or nature, imposed on, incurred by or asserted against the City, its successors, assigns, officers, directors, employees, agents, and servants in any way relating to or arising out of any of the following or allegations, claims or charges of any of the following.

- The use or application of the grant proceeds
- The violation by the subrecipient of any of its covenants or agreements under the subrecipient grant funding agreement

- Any tort or other action or failure to act done in connection with the performance or operation of the funded project/program
- Any act or failure to act of any officer, employee, agent, or servant of the subrecipient
- Any injury to any person, loss of life, or loss or destruction of property in any way arising out of or relating to the performance or operation of the funded project/program.

The City agrees to notify subrecipients in writing of any claim or liability which the City believes to be covered under this section. The City shall tender, and the subrecipient shall promptly accept tender of, defense in connection with any claim or liability the City is entitled to indemnification provided that the counsel retained by the subrecipient to defend the City is satisfactory to the City and the City shall be kept fully informed of the status of the proceeding.

In the event a subrecipient within ten calendar days after receipt of notice from the City of a claim or liability which the City believes to be covered under this section, fails to advise the City in writing that the subrecipient agrees that the City is entitled to indemnification under this section based on the claim or liability, the City without waiving or prejudicing any claim or right it may have to indemnification under this section (including the recovery of legal fees and expenses) may retain its own counsel and present its own defense in connection with such claim or liability.

The City shall not settle or compromise any claim, suit, action or proceeding in respect of which the subrecipient has agreed in writing that the City is entitled to indemnification under this section.

Insurance and Bonding

Subrecipients are required to carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage.

Non-Participation by Certain Persons

Subrecipients agree to not allow any member of, or delegate to, the United States Congress any share or part of a subrecipient grant funding agreement or allow any benefit to arise from the agreement.

Program Income

This is defined as gross income received by the subrecipient directly derived or generated from the use of ARPA funds. This includes, but is not limited to, fees for services performed, use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award money.

Return of Unexpended Funds

Subrecipients must return all unexpended and/or unencumbered grant funds upon completion or termination of the program. If the work program cannot be completed or if the subrecipient

ceases to function as an operating entity, the subrecipient agrees to return to the City all unexpended and/or unencumbered grant funds.

Independent Contractor

Subrecipients are considered independent contractors. Subrecipients agree to defend, indemnify, and hold the City harmless from all claims, damages, liability, attorney's fees and expenses on the account of a failure or an alleged failure by the subrecipient to satisfy any such obligations or any other action or inaction of the subrecipient. Subrecipients are solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort. Subrecipients are required to follow all applicable federal laws and regulations in relation to ARPA funding.

Compliance with First Amendment Church and State Principles

Subrecipients must agree to comply with the First Amendment Church/State principles which state that ARPA funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities.

ARPA funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the City that in connection with the provision of such services it complies with the following requirements.

- It will not discriminate against any employee or applicant for employment based on religion and will not limit employment or give preference in employment to persons based on religion.
- It will not discriminate against any person applying for public services funded partially or in full by ARPA funds based on religion and will not limit such services or give preference to persons based on religion.
- It will provide no religious instruction or counseling, conduct no religious worship services, engage in no religious proselytizing, and exert no other religious influence in the provision of public services funded, in full or partially, by ARPA funds.

Certification Related to Federal Funds

Subrecipients must certify to the best of its knowledge or belief the following requirements are met.

- No federal appropriated funds have been paid or will be paid, by or on behalf of the subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of the Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement.

- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the federal contract, grant, loan, or cooperative agreement, the subrecipient shall complete and submit [Standard Form-LLL](#).
- Subrecipients shall require that the language of an executed Standard Form-LLL be included in the award documents for all sub awards at all tiers and that sub awardees shall certify and disclose accordingly.
- A certification is a material representation of fact upon which reliance was placed when the current subrecipient grant funding agreement was made or entered into.
 - [Section 1352, Title 31, U.S.C.](#)

Severability

If any part of a subrecipient grant funding agreement is held invalid, the remainder of the agreement shall not be affected thereby, and all other parts of the agreement shall nevertheless be in full force and effect.

Section Heading and Subheading Limitations

Section headings and subheadings contained in subrecipient grant funding agreements are included for convenience only and shall not limit or otherwise affect the terms of agreements.

Waiver of Provisions Language

The City's failure to act on a breach by a subrecipient does not waive the City's right to act with respect to subsequent or similar breaches in the subrecipient grant funding agreement. The failure of the City to exercise or enforce any right or provision in a subrecipient grant funding agreement does not constitute a waiver of such a right or provision.

Entire Agreement Language

A subrecipient grant funding agreement constitutes the entire agreement between the City and a subrecipient for the use of ARPA funds. The subrecipient grant funding agreement supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the City and a subrecipient.

Notices

All notices, requests, demands, or other communications which are required or permitted to be given under subrecipient grant funding agreements shall be in writing and shall be deemed to have been duly given upon delivery.

Changes to the Agreement Language

Alterations, variations, modifications, or waivers of provisions in a subrecipient grant funding agreement shall only be valid when they have been reduced to writing, duly signed by both parties and attached to the original subrecipient grant funding agreement.

Signatures

The City Manager for the City of Bloomington, or the individual acting in this capacity, shall be the signatory for all subrecipient grant funding agreements. The Executive Director, Board of Directors President, or Program Manager for a subrecipient shall be the signatory for all subrecipient grant funding agreements.

3.6 Monitoring

The City shall monitor subrecipients to ensure compliance with the Department of the Treasury regulations and the subrecipient grant funding agreement. The City reserves the right to monitor the subrecipient at a frequency determined by the City. Additionally, the City reserves the right to monitor a subrecipient based on performance. Failure of the subrecipient to comply with a monitoring shall result in a halt on all reimbursements until the monitoring is completed and any actions required are executed. The City shall notify the subrecipient in writing when a monitoring will occur and what, if any, documentation may be required for the monitoring.

Monitoring Process

- The City notifies the subrecipient that a monitoring needs to be scheduled and provides a checklist of needed documentation.
- The City works with the subrecipient to schedule a date that works for both parties.
- A monitoring is scheduled and the subrecipient is notified in writing.
- The City and subrecipient hold an entrance conference for the monitoring that provides an overview of the process, how long it will occur, and what will occur after the exit conference.
- City staff conduct a monitoring of the subrecipient.
- The City and subrecipient hold an exit conference that outlines any preliminary observations and describes what will be next in the process.
- City staff prepare and send the monitoring letter.
 - This monitoring letter must be sent not more than 30 calendar days from the date of the exit conference.

- The monitoring letter shall outline any concerns, findings, corrective actions, or sanctions. The monitoring letter shall also contain required actions and requested actions the City would like the subrecipient will need to take to ensure compliance with applicable federal regulations.
- City staff reviews the subrecipient's response to the monitoring letter for compliance.

3.7 Invoice Processing

Invoices for reimbursement of ARPA funded activities shall be made on a monthly or quarterly basis. The Grants Specialist shall have the authority to request a different reimbursement schedule for a particular subrecipient if the need arises. Invoices submitted for reimbursement shall have all required back-up documentation to support the amount requested in the submission. Failure to provide this information may result in invoice processing delays. Invoices shall be submitted through the City's online grant management software unless otherwise directed by the Grants Specialist. Invoices will be accepted for a maximum of twelve (12) calendar days after the end of the fiscal year (program year) and must show a date of service that was within the appropriate program year. A subrecipient's failure to provide a valid invoice within this period may result the invoice not being processed for payment.

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